

**Report of Organizational Actions
Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Avanti Communications Group plc		2 Issuer's employer identification number (EIN) N/A	
3 Name of contact for additional information Patrick Willcocks	4 Telephone No. of contact +44 (0) 207 749 1600	5 Email address of contact investors@avantiplc.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact Cobham House, 20 Black Friars Lane		7 City, town, or post office, state, and Zip code of contact London EC4V 6EB, England	
8 Date of action 10/18/2016	9 Classification and description Notes		
10 CUSIP number 05351LAD9	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On October 18, 2016, the Issuer amended the indenture governing its Notes with the above referenced CUSIP number to permit payment of the October 2016 interest payment in kind rather than cash with respect to holders that had consented to the amendments to the indenture and change in yield resulting from the consent fee caused a significant modification and therefore deemed exchange of the Notes pursuant to Treasury regulations section 1.1001-3.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The Company intends to treat the deemed exchange as a recapitalization for U.S. federal income tax purposes. Consenting holders will have an adjusted basis in the notes deemed received pursuant to the deemed exchange described above to equal the adjusted basis in the Notes with the above referenced CUSIP they owned prior to the deemed exchange (carryover basis).**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
A deemed exchange occurred as a result of a significant modification resulting from changes in the timing of payments and a change in yield pursuant to Treasury Regulation 1.1001-3(e)(2) & (3). The Company intends to treat the deemed exchange as a recapitalization pursuant Internal Revenue Code Section 368(a)(1)(E).

18 Can any resulting loss be recognized? ▶ No

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ 2016 tax year.
The Notes will trade under the CUSIP 05351LAE7.
The Notes are publicly traded and the fair market value of the Notes on the date of the deemed exchange was \$0.79625.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶  Date ▶ 01/12/2016

Print your name ▶ Patrick Willcocks Title ▶ Company Secretary and General Counsel

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	